

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 96-351-W - ORDER NO. 97-545  
JUNE 26, 1997

IN RE: Application of Rural Water, Inc. for ) ORDER  
Approval to Transfer Water Systems ) GRANTING  
(Lakeland Village, McCombs, Windemere, ) TRANSFER  
and Woodlawn) to Greenwood Commission )  
of Public Works. )

This matter is before the Public Service Commission of South Carolina (the Commission) on the Application of Rural Water, Inc. (Rural or the Company) for approval to transfer the Lakeland Village, McCombs, Windemere, and Woodlawn water systems to the Greenwood Commission of Public Works. This filing was made pursuant to Commission Regulation 103-704.

The Commission's Executive Director ordered the Company to publish a Notice of Filing in newspapers of general circulation, one time. The Notice contained information on participation in the hearing. No Petitions to Intervene were received. Two protests were received.

Accordingly, a hearing was held on June 19, 1997 at 2:30 p.m. in the offices of the Commission, with the Honorable Guy Butler, presiding. John C. Lake, President of Rural, appeared. Rural also subpoenaed David Price of the Department of Health and Environmental Control (DHEC), who testified on behalf of the Company. The Commission Staff (the Staff) was represented by F.

David Butler, General Counsel.

Lake testified that he is asking for the transfer of the Lakeland Village, McCombs, Windemere, and Woodlawn water systems to the Greenwood Commission of Public Works for several reasons. First, there is a great degree of uncertainty as to the impact of compliance with the Safe Drinking Water Act based on copper-lead testing of the systems. There will probably be a requirement to add additional treatment to the current sources of water. This will require daily attention to the systems, as well as additional costs in chemicals and equipment, thus, increasing the potential cost to the consumer. Further, current storage capacities in these water systems are limited by today's standards. In addition, DHEC officials have strongly encouraged Rural to transfer or abandon the systems. As they see it, this is the best possible long-term solution of providing quality water services at a reasonable price to these customers. Lake further stated that, should the transfer be allowed, that Rural will provide service to the customers in these systems during the period of construction of the new service to connect to the Greenwood Commission of Public Works. The Greenwood Commission of Public Works has agreed to service these areas, and will make repairs to lines of Rural, if broken by them during the construction period.

David Price of DHEC also testified and emphasized that DHEC encourages the transfer of the systems.

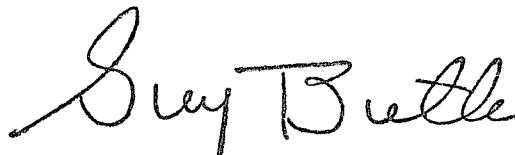
We have examined the evidence in this matter, and believe that the transfer is in the public interest, pursuant to

Regulation 103-704. It is clear from the testimony that continued ownership of the four systems by Rural will result in increased costs to the consumer. Further, although the customers of the four water systems will see an increase in their bill, it appears that to remain on Rural would result in ultimately rates even higher than that to be seen with the Greenwood Commission of Public Works.


We therefore grant the request for transfer of the systems to the Greenwood Commission of Public Works, however, our approval is conditional on Rural operating the systems, until all customers of the systems are connected to the Greenwood Commission of Public Works. Further, Rural shall advise Staff when the systems are transferred pursuant to this Order.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Deputy Executive Director  
(SEAL)